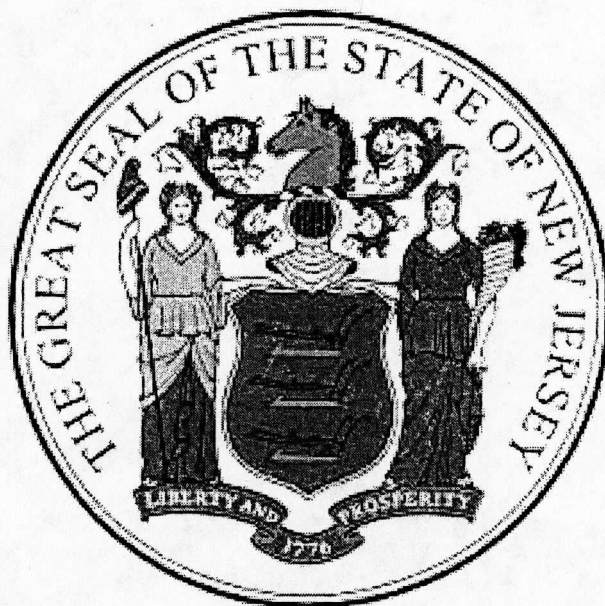


**ENTRANCE TO NEW JERSEY BUSINESS ENTERPRISE**  
**FOR FOREIGN ENTITIES**



**RUTGERS LAW LIBRARY**

JUL 13 2017

**NEWARK**

by  
**Genevieve K. LaRobardier**

## TABLE OF CONTENTS

### Page

INTRODUCTION: Entrance to New Jersey Business Enterprise.....	1
CHAPTER I – NEW JERSEY IN THE INTERNATIONAL BUSINESS ARENA.....	1
New Jersey’s Five Foreign Trade Zones .....	2
The “Garden State” .....	2
CHAPTER II – NEW JERSEY IN U.S. FEDERAL REPUBLIC.....	2
Federal Legislative Powers .....	3
Federal Executive Powers.....	3
Federal Judiciary .....	3
CHAPTER III – NEW JERSEY STATE GOVERNMENT STRUCTURE .....	3
CHAPTER IV –INTERNATIONAL BUSINESS OVERSIGHT IN U.S/N.J. ....	4
Which Courts for Which Claims?.....	4
U.S. State Court of International Trade .....	5
Which Law Applies?.....	5
Administrative Regulations .....	6
Applicable U.S. Treaties .....	6
Antitrust Regulation.....	6
CHAPTER V – THE FOREIGN SUPPLIER.....	7
Current U.S. Customs Processing.....	7
Entry Processing .....	8
Classification.....	9
Valuation of Goods for Import Duties and Fees.....	9
Country of Origin.....	9
Enforcement of U.S. Customs Law .....	10
Antidumping .....	10
Subsidization; Countervailing Duties .....	11
Presidential Role in Trade Protection .....	11
Section 201 Action.....	11

Restraint Agreements.....	11
Section 301 Proceedings.....	11
Multi-Fiber Arrangement.....	11
Textile Restraint Enforcement.....	11
Agricultural Quotas.....	11
Handling Goods Previously Imported into U.S. ....	12
Drawback.....	12
Temporary Imports.....	12
Foreign Trade Zones.....	12
Export Licenses.....	12
International Cooperation.....	12
CHAPTER VI –FOREIGN TRADE ENTERPRISE IN NEW JERSEY .....	12
Foreign Source Sales.....	13
Sales Agencies.....	13
Distributors.....	13
Franchises.....	14
Licensing.....	14
Affiliated Business Entity.....	15
CHAPTER VII – LEGAL STRUCTURE FOR BUSINESS IN NEW JERSEY .....	15
Subsidiary of Foreign Parent Company.....	15
Structuring a Corporate Subsidiary in New Jersey.....	16
Capital Requirements.....	16
Corporate Governance.....	16
Dividend Power.....	17
Required Records.....	17
Branch Operation of Foreign Corporation.....	18
Partnership.....	18
General Partnership.....	18
Limited Partnership.....	19
Joint Venture.....	20
Sole Proprietorship.....	20
Business Trust.....	21



CHAPTER VIII – TAXATION.....	21
Residency.....	21
Tax Treaties .....	22
Taxation of Foreign Investors.....	22
Other Tax Considerations .....	24
Immigration and Federal Taxation.....	25
Federal Estate, Trusts, and Gift Taxation .....	25
State and Local Taxes .....	26
Corporate Business Tax .....	26
Industry Support.....	26
Tax Returns.....	27
Individual Taxation.....	27
Real Property Taxes.....	27
CHAPTER IX – INTELLECTUAL PROPERTY.....	27
Patents.....	27
Patent Infringement and Remedies .....	28
Copyright .....	28
Registration Process, Benefits, and Notice .....	29
Copyright Infringement .....	29
Foreign Copyright Protection .....	29
Mask Works.....	30
Trademarks, Service Marks, Sound Marks.....	30
USPTO Mark Registration.....	30
Service and Sound Marks .....	31
State Marks Registration.....	31
Trade Secrets.....	31
Conclusion on IP Rights .....	32
CHAPTER X – FAIR TRADE LAWS.....	32
Antitrust Penalties and Remedies .....	34
Criminal Enforcement.....	34
Civil Remedies.....	34
State Statutes.....	35

CHAPTER XI – GOVERNMENT REPORTING AND U.S. SECURITY COMPLIANCE .....	35
Federal Reporting Laws.....	35
Agricultural Foreign Investment Disclosure Act (AFIDA) of 1978.....	35
Currency Transfer Reporting .....	36
U.S. Government International Investment and Trade Data.....	36
Portfolio Investments .....	36
Improved Disclosure Act .....	37
U.S. Presidential Role in Foreign Investment Oversight.....	37
Compliance with Office of Federal Assets Control Sanctions .....	38
New Jersey State Reporting Requirements.....	38
Certificate of Authority To Do Business .....	38
Taxation .....	38
Trade Name.....	38
Payroll Permit .....	38
Unemployment and Disability Insurance.....	38
Office of Business Advocacy.....	39
Localized New Jersey Business Concerns .....	39
CHAPTER XII – IMMIGRATION CONSIDERATIONS .....	39
Immigrant Visas.....	40
Non-Immigrant Visas.....	40
INS Enforcement .....	41
Due Diligence and Immigration Enforcement .....	41
CHAPTER XIII – LABOR AND EMPLOYMENT LAW .....	41
Federal Labor Law.....	42
New Jersey Employment and Labor Laws .....	43
Unemployment Compensation.....	43
New Jersey Disability Compensation .....	43
Workers’ Compensation .....	43
Employee Testing .....	44
CHAPTER XIV – REAL PROPERTY .....	44
Lease .....	44
Purchase of Property .....	44
Protection of Freshwater Wetlands.....	45

New Jersey Municipal Land Use Law .....	45
Financing Real Estate Ventures .....	45
New Jersey's Foreign Trade Zones.....	45
New Jersey's EDA for Economic Benefits.....	45
Usury Laws .....	46
State Real Property Development Review.....	46
CHAPTER XV – ENVIRONMENTAL PROTECTION .....	46
New Jersey Environmental Statutes.....	46
Industrial Site Recovery Act (ISRA) .....	46
N.J. Underground Storage of Hazardous Substances Act.....	47
Spill Compensation and Control Act .....	47
Federal Environmental Laws .....	47
Comprehensive Environmental Response, Compensation & Liability Act (CERCLA) .....	47
Resource Conservation and Recovery Act (RCRA) .....	47
CHAPTER XVI – BUSINESS TORTS ISSUES .....	48
Liability .....	48
Product Liability .....	48
Classes of Defects .....	49
Design .....	49
Manufacturing.....	49
Misuse .....	49
Who Is Liable?.....	49
Manufacturers: designers, distributors, and/or sellers .....	49
Lessor of a Product .....	49
Tort Litigation.....	49
Procedure .....	49
Substance of Liability Charges .....	50
Industry Practice .....	50
Warnings .....	50
Compliance with Regulations .....	50
Liability of Others.....	50
Liability for Component Parts to Complete a Product.....	51
Liability for Products by Predecessor .....	51
Liability of Rebuilder per Customer's Specification .....	51
Significance of Product Improvements.....	51



Early Warnings .....	51
Indemnification .....	51
Insurance .....	51
CHAPTER XVII – CONTRACT LAW .....	52
Uniform Commercial Code.....	52
UN Convention on Contracts for International Sale of Goods (CISG) .....	53
CHAPTER XVIII – DISPUTE RESOLUTION AND ALTERNATIVES .....	53
Litigation.....	53
Pretrial Process.....	54
Appellate Proceedings .....	54
State Court Judgments .....	55
Alternate Dispute Resolution .....	55
Arbitration.....	55
Alternative Dispute Resolution in New Jersey .....	56
Alternatives to Arbitration .....	56
Mediation-Arbitration.....	56
Investigation.....	56
Mini-Trial.....	56
Advisory Arbitration.....	57
Perspective on Inclusion of Arbitration Clause in Contracts.....	57
Dedication.....	58
Authors of <u>New Jersey: A Basic Legal Guide for Foreign Business</u> 1991 .....	58